

TRUSTEE SERVICE ADHOC MEETING Public Session

AGENDA
January 22, 2019

Markus de Domenico

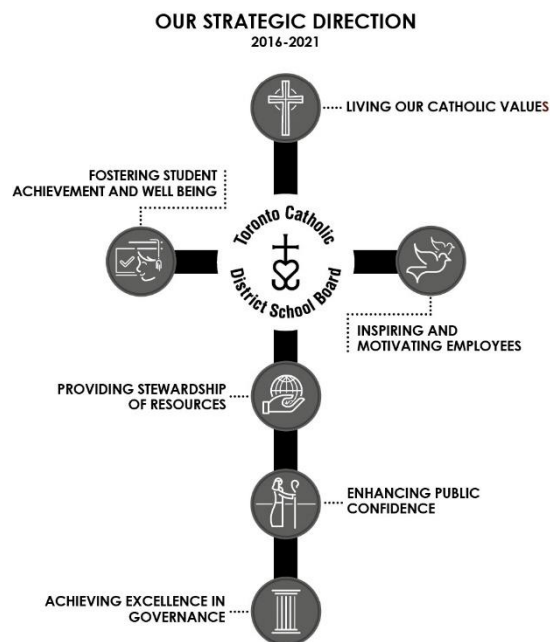
Angela Kennedy

Michael Del Grande

Maria Rizzo

Norman Di Pasquale

Garry Tanuan



MISSION

*The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.
We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.*

VISION

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Recording Secretary: Sophia Harris, 416-222-8282 Ext. 2293
Assistant Recording Secretary: Sonia Tomaz, 416-222-8282 Ext. 2298

Rory McGuckin
Director of Education

Maria Rizzo
Chair of the Board

OUR MISSION

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**AGENDA
REGULAR MEETING
OF THE
TRUSTEE SERVICE AD HOC COMMITTEE
PUBLIC SESSION**

Tuesday, January 22, 2019

6:30 P.M.

Pages

1. **Call to Order by the Chair of the Board**
2. **Memorials and Opening Prayer**
3. **Election of Chair**
4. **Election of Vice-Chair**
5. **Roll Call & Apologies**
6. **Approval of the Agenda**
7. **Notices of Motions**
8. **Declarations of Interest**
9. **Approval and Signing of Minutes of the Previous Meeting - Nil**
10. **Presentations**
11. **Delegations**
12. **Consideration of Motions for which previous notice has been given**

13. Unfinished Business from Previous Meetings
14. Matters referred/deferred from Committees/Board
15. Reports of Officials for the Information of the Board of Trustees
 - 15.a Ad Hoc Trustee Expenses Committee's Terms of Reference 1 - 3
 - 15.b Toronto Catholic District School Board's (TCDSB) Trustee Services and Expenditures Policy (T.17) Historical Context 4 - 43
 - 15.c Report regarding TCDSB's Trustee Services and Expenditures Policy Review 44 - 66
16. Reports Requiring Action of the Board of Trustees
17. Listing of Communications
18. Inquiries and Miscellaneous
19. Updating of Pending Items List
20. Closing Prayer
21. Adjournment



REPORT TO

AD HOC TRUSTEE EXPENSES COMMITTEE

AD HOC TRUSTEE EXPENSES COMMITTEE TERMS OF REFERENCE

“To the Jews who had believed him, Jesus said, “If you hold to my teaching, you are really my disciples. Then you will know the truth, and the truth will set you free.”

John 8:31-32

Created, Draft	First Tabling	Review
January 17, 2019	January 22, 2019	Click here to enter a date.

P. De Cock, Comptroller of Business Services & Finance

INFORMATION REPORT

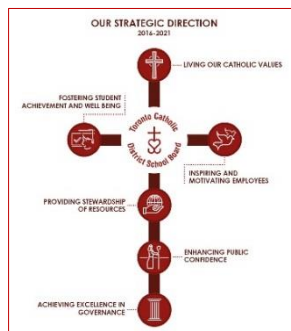
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Rory McGuckin
Director of Education

D. Koenig
Associate Director
of Academic Affairs

L. Noronha
Associate Director of Facilities,
Business and Community
Development, and
Chief Financial Officer

A. EXECUTIVE SUMMARY

This report provides the Ad Hoc Trustee Expenses Committee with a proposed road map to define the Committee's purpose, terms and conditions.

The cumulative staff time required to prepare this report was 1 hours

B. PURPOSE

1. This report responds to a trustee motion approved by the Board of Trustees during the Student Achievement Committee meeting on December 6th 2018.
2. The motion approved by the Board of Trustees resolved that:
 - a) An Ad Hoc Committee be established to review Trustees Services and Expenditures and recommend changes (if any), and
 - b) That the Trustee Expenses Committee consist of at least (3) members, and
 - c) That the Terms of Reference include but not be limited to updating and reviewing Policy T.17 and make recommendations for change (if any) to the Governance Committee.

C. EVIDENCE/RESEARCH/ANALYSIS

1. Purpose of Ad Hoc Committee
 - a) Review TCDSB Policy T.17 (Trustees Services and Expenditures)
2. Frequency & Schedule of Meetings
 - a) Monthly until revisions are submitted to Governance and Policy Committee (number of meetings is anticipated at 2 – 3 meetings)
 - b) Schedule of Meetings:
 - Tuesday, January 22nd 2019
 - Review and Discuss TCDSB Policy T.17

- February TBD 2019
 - Review staff recommendations and consider benchmark research
- March TBD 2019
 - Review and Refine TCDSB Policy T.17 for submission to Governance and Policy Committee (this meeting may not be required if the February meeting yields a final set of recommendations)
- April 9th 2019
 - Review by Governance and Policy Committee
- April 24th 2019
 - Final Review and Approval by Board of Trustees at Regular Board

D. CONCLUDING STATEMENT

This report is for the consideration of the Ad Hoc Trustee Expenses Committee.



REPORT TO

AD HOC TRUSTEE EXPENSES COMMITTEE

TRUSTEE SERVICES AND EXPENDITURES POLICY'S HISTORICAL CONTEXT

“To the Jews who had believed him, Jesus said, “If you hold to my teaching, you are really my disciples. Then you will know the truth, and the truth will set you free.”

John 8:31-32

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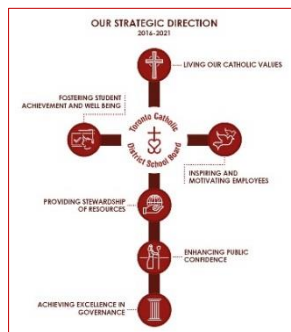
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Associate Director of Facilities,
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Development, and
Chief Financial Officer

A. EXECUTIVE SUMMARY

This report provides the Ad Hoc Trustee Expenses Committee with a historical context in which to begin a review of TCDSB's Policy T.17 (Trustee Services and Expenditures)

The cumulative staff time required to prepare this report was 2 hours.

B. PURPOSE

1. This report provides the historical context surrounding TCDSB's Policy T.17 (Trustees Services and Expenditures) and the critical public service role of ensuring and enhancing public trust and confidence into TCDSB's governance structures.

C. BACKGROUND

1. At the request for assistance by the Chair of the Board for the Toronto Catholic District School Board in 2008, the Minister of Education appointed an advisor, Norbert J. Hartmann, to complete the following:
 - a) Undertake a review of policies, processes and spending practices regarding Trustee expenses, supports and services; and
 - b) Make recommendations to ensure accountable, appropriate and transparent trustee and board expenditure and expense policies are in place, including the approval of trustees' expenses.
2. The review concluded that the cost of governance at the Toronto Catholic District School Board (TCDSB) was among the highest in the province, and that it had grown substantially during the period of 2003 to 2008. A significant portion of the growth in governance costs was a result of the additional cost of services and discretionary expenditures that Trustees had provided for themselves during this time period.
3. The pattern of expenses that Trustees claimed and the Board services available indicated that:
 - a. Trustees provided themselves benefits and services that were not permitted by the Education Act;

- b. Trustees incurred expenses unrelated to their responsibilities as board members; and
 - c. Trustees exercised powers to allocate funds that were not provided in legislation; and
 - d. The structure of policies governing services and expenditures could create the perception that Trustees, their families, relatives and friends unfairly benefited from public office; and
 - e. Trustees did not always acquire goods and services in the most cost efficient and effective manner possible; and
 - f. Expenditure controls had been compromised by the politicization of the approval process; and
 - g. Significant improvements in the reporting of expenditures were required.
4. The complete report titled “Enhancing Public Trust and Confidence” prepared on May 6th 2008 by the Minister of Education appointed Advisor, Norbert J. Hartmann, appears as Appendix A.

D. CONCLUDING STATEMENT

This report is for the consideration of the Ad Hoc Trustee Expenses Committee.

Enhancing Public Trust and Confidence

Recommendations for Revisions to Policies and Procedures Governing Trustee Expenses at Toronto Catholic District School Board

Prepared for

**Minister of Education
Province of Ontario**

and

**Chair and Members of
Toronto Catholic District School Board**

By

Norbert J. Hartmann

Toronto, Ontario

May 6, 2008

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Executive Summary

This report presents the results of a review of Trustee expenses at the Toronto Catholic District School Board from 2003 to the present. It details the issues arising from the expenditure patterns during those years and makes recommendations for policy changes required at the local and provincial level to address the concerns raised.

This review was undertaken as a result of a request for assistance from the Minister of Education by the current Chair of the Board. The request led to the appointment of an advisor to:

- “a) undertake a review of policies, processes and spending practices regarding Trustee expenses, supports and services; and
- b) make recommendations to ensure accountable, appropriate and transparent trustee and board expenditure and expense policies are in place, including the approval of trustee expenses.”

The review concludes that the cost of governance at the Toronto Catholic District School Board is among the highest in the province, and that it has grown substantially during the past four years. A significant portion of the growth in governance costs is a result of the additional costs of services and discretionary expenditures that Trustees have provided for themselves during this time period.

The pattern of expenses that Trustees claim and the Board services available indicate that Trustees:

- provide themselves benefits and services that are not permitted by the Education Act;
- incur expenses unrelated to their responsibilities as board members; and
- exercise powers to allocate funds that are not provided in legislation.

The review further indicates that:

- the structure of the policies governing services and expenditures can create the perception that Trustees, their families, relatives and friends unfairly benefit from public office;
- Trustees do not always acquire goods and services in the most cost efficient and effective manner possible;
- expenditure controls have been compromised by the politicization of the approval process; and
- significant improvements in the reporting of expenditures are required.

The report makes 20 recommendations designed to ensure that policies and practices at the Toronto Catholic District School Board represent an appropriate and transparent

approach to the provision of services and reimbursement of Trustee expenses and support the Ministry's goal of public confidence as one of the three pillars of a vibrant and successful education system.

The report also requests the Minister of Education to appoint an external auditor to ensure expense anomalies are reconciled.

Introduction

Local governance of public education is a cherished tradition in Ontario. From the time that public education became a right, the Crown assigned locally elected officials the responsibility of overseeing most elementary and secondary schools in the province. Although the number, form and powers of school boards have changed many times since they were first established, school boards remain integral to the provision of education programs and services in all parts of the province.

To recognize the indispensable role Trustees play in educational governance, the Education Act permits school boards to award Trustees an honorarium for their service, reimburse them for expenses incurred in the performance of their duties and provide the services and supports necessary for them to function effectively and efficiently. The rules governing these matters are normally embedded in Board policies.

In October 2006, the Director of Education of the Toronto Catholic District School Board (TCDSB) requested that external auditors (Price Waterhouse Coopers) expand the annual review of financial statements to include policies and practices related to the payment of Trustee expenses. The auditors identified several weaknesses in policy and procedures and provided the Board's Audit Committee with recommendations for change. In March 2007, the Board revised its policy on Trustee Services and Expenses to reflect a number of the recommendations.

Among the major weaknesses identified by Price Waterhouse Coopers was inadequate documentation of Trustee expenditures claimed under the reimbursement policy. Their management letter recommended that:

- original documentation be provided for all expenditures, including proof of payment, with exceptions being made for items related to mileage claims and meal per diems;
- business reasons for the expenditure, and the budget it relates to, be noted on the expense report; and
- expense reports be reviewed and approved by designated senior officials of the TCDSB prior to payment to confirm that the expenditure is in line with policy.

The revisions to the Trustee Services and Expenditure Policy adopted by the Board in March 2007 included language that reflected these recommendations.

By October 2007, it had become apparent that, although the Board had a new process in place, the documentation provisions of the policy were not being universally followed. The problem was most acute with regard to Trustee expenditures incurred on credit cards and purchase cards. Despite having been reminded of the requirements in a staff memo dated June 1, 2007, and again requested to do so on October 2, 2007, and October 17,

2007, a number of Trustees had still not produced the documentation necessary to support their expenditure claims.

On November 1, 2007, staff prepared a report for the Audit Committee advising that, if full documentation was not forthcoming, staff would bring details of non-compliance to the attention of the Board. However, since quorum could not be achieved, the report was not considered. A further report on the matter was prepared for the December 10, 2007, private session of the Audit Committee. The committee lost quorum before it could deal with the matter; therefore the report went directly to the December 12, 2007, private session of the Committee of the Whole Board.

A version of the report was subsequently leaked to the media. As a result, expenses of the TCDSB Trustees came under increasing public scrutiny. Between January 8, 2008, and February 19, 2008, fourteen articles regarding personal expenses charged to Board accounts appeared in the press. The propriety of expenditures allowed under the policy and the effectiveness of control procedures continued to be questioned. Allegations of impropriety also caused considerable concern and dissension among Trustees.

To ensure that appropriate policies are in place and that control procedures for their implementation protect public and corporate interest, the current Chair of the Board requested that the Minister of Education provide assistance in revising policies and practices affecting Trustee expenses.

Terms of Reference

In response to the Chair's request, the Minister of Education wrote to the TCDSB on February 6, 2008. The letter stated that, while the Minister understood that Trustees had taken some actions toward improving expenditure processes, she also understood that the Board would benefit from additional advice. As a result, the Minister agreed to provide assistance to review expenditure policies and practices and to develop recommendations for their improvement. Ministry staff would work with Board staff to draft terms of reference that met the requirements of the Board and the Province.

These discussions resulted in the appointment of an advisor to work with the Board to:

- “a) undertake a review of policies, processes and spending practices regarding Trustee expenses, supports and services; and
- b) make recommendations to ensure accountable, appropriate and transparent trustee and board expenditure and expense policies are in place, including the approval of trustee expenses”

In making recommendations the advisor was requested to give due consideration to:

- the requirements of the Education Act;
- Ministry guidelines regarding Trustee and administrative expenditures;
- best practices in the education sector and other public sectors such as policies and practices in other school boards and Province of Ontario guidelines for travel and hospitality expenses; and
- control mechanisms or processes for managing/controlling expenditures, both proposed and in place.

The advisor was required to make the report summarizing his findings directly to the Minister of Education, as well as to the Chair and Director of the TCDSB.

This report presents the results of the review conducted under these terms of reference.

Methodology

In order to develop a comprehensive overview of the issues that need to be addressed by a revised policy governing Trustee services and expenditures, the following actions were taken:

1. All expenditure claims made by the current Trustees of the Board were reviewed by the advisor to determine the appropriateness of the claim, the adequacy of documentation, and the issues raised by the nature of the expense. Because all current Trustees have held office since November 2003, the review included all expense claims made between that date and November 2007 and the supporting documentation. This expanded the initial 2006 test audit performed by Price Waterhouse Coopers to a comprehensive review for the full tenure of current members of the Board, excluding the student trustee.
2. To ensure the validity of the conclusions, the advisor sought corroboration of the findings from Ministry experts.
3. To facilitate the analysis of Trustee expenses at the TCDSB, all reimbursements for each of the four years covered by the review were classified by the expense categories permitted under the policies in effect over that period. These include:

Category	Items
Information and Promotion	Newsletters Paid Advertisement Promotional Materials Other
Hospitality	Meals School and Ward Meetings
Professional Development	Workshops Conferences
Transfer of Funds	Schools Catholic School Advisory Councils
Donations, Gifts, & Events	School Fundraisers Community Groups Board Trust Funds Sponsorships Other Donations, Gifts and Events
Research and Assistance	Constituency Assistants Research Services
Travel	Kilometrage Taxis Transit Air and Rail Reimbursements
Office Expenses	One-time Recurring
Miscellaneous Expenses	All other items

Where documentation for the expense was not provided, the purpose of the expenditure was inferred from receipts and/or charge statements.

4. The provisions of the current TCDSB policy were evaluated against the requirements of provincial legislation, regulations and guidelines, accepted standards for the development of public expenditure policies, the recommendations provided by Price Waterhouse Coopers, and best practices in other jurisdictions.
5. Board staff responsible for developing, supporting or administering various aspects of the Trustee services and expense policy were interviewed.
6. All Trustees were invited to share their views on the strengths and weaknesses of the current policy and suggestions for improvement. All but one did so.

The findings and recommendations contained in this report are based on what was learned through these processes.

Where alternate solutions to an issue were possible, recommendations are based on a “balance of risk” approach. The direction recommended is the one that provides the least risk to corporate integrity and the public interest.

The Context

Funds available to support Trustees and reimburse them for the expenses incurred in the course of their duties are affected by two separate policies of the Toronto Catholic District School Board: *T.05 – Trustee Honorarium* and *T.17 – Trustee Services and Expenditures*.

Honorarium

Section 191 of the Education Act provides:

s.191 (1) A board may pay each of its members an honorarium in an amount determined by the board, and

s.191 (2) A board may pay to its chair and vice-chair an additional honorarium in an amount determined by the board,

within limits set in regulation by the Minister. It further provides that:

s.191.3 Despite this Act or any other Act, where an elected member of a board is, under a by-law or resolution of a board, paid a salary, indemnity, allowance or other remuneration, one-third of such amount shall be deemed to be for expenses incident to the discharge of his or her duties as a member of the board.

Therefore one-third of each Trustee’s honorarium is deemed a tax-free expense allowance that he or she may use at his or her sole discretion.

In 2003 the honorarium for TCDSB Trustees was the \$5,000 maximum set out by education finance and governance legislation. Of this amount, \$1,650 was deemed for Trustee expenses. In 2006 the honorarium was increased to the statutory maximum permitted by Regulation 357/06. By 2007, this amounted to \$18,671 for TCDSB Trustees, with an additional allowance of \$50.00 for each meeting of a statutory committee that they were required to attend. Slightly over \$6,100 of the amount was deemed to be for expenses.

Services and Expenses

In addition to the deemed expense provision of the honorarium, the Act also stipulates that:

s191.2 (3) A Board may establish a policy under which a member of a board may be reimbursed for all or part of his or her out-of pocket expenses reasonably incurred in connection with carrying out the responsibilities of a board member.

The additional amounts available, the rules for their disbursement and the conditions under which they may be reimbursed are outlined in *Policy T.17- Trustee Services and Expenditures*. A number of other policies also impact the process. They include: *T12 – Expenses of the Office of the Chair*, *Policy T.18 – Constituency Assistant*, *Policy A.24 – Credit and Purchase Card Policy*, *Policy, HM32 – Offering of Hospitality or Gifts* and *Policy, HM33 – Acceptance of Hospitality or Gifts*.

With the exception of the student Trustee, all current members of the TCDSB have held office since November 2003. During their tenure the foregoing policies underwent a number of revisions.

Additional supports and discretionary budgets available to Trustees elected in 2003 were governed by the Trustee Services and Expenditures policy adopted by the Board in April 2000. It was subsequently amended in February 2004, August 2004, January 2007, March 2007 and May 2007. As a result, current Trustees could receive the following during their term of office.

Original Provision	2004-2005 Amendments	2007 Amendments
Central Account to provide all Trustees with: <ul style="list-style-type: none"> secretarial support courier /postage answering service home FAX home telephone line, cell phone, computer & printer photocopying event photography 	Added provision for: <ul style="list-style-type: none"> shredder recycling box Blackberry constituency assistant (June 2005) 	Added provision for <ul style="list-style-type: none"> filing cabinet legal expenses approved by Board medical, dental and life insurance benefits for Trustees Amended Constituency Assistant Policy to permit hiring of external person or firm to carry duties

Original Provision	2004-2005 Amendments	2007 Amendments
Travel Allowance commensurate with current administrative rate or kilometre reimbursement at maximum Revenue Canada rate or reimbursement for transit and taxi fares	Car allowance increased to \$595 per month and 12.5 cents per kilometre	Car allowance increased to rate set by the board in 2006, plus percentage increase in Revenue Canada kilometrage allowance
Professional Development Allowance of \$3000 for conferences outside Toronto		Folded into discretionary allowance
Annual Discretionary Budget of \$10,000 to reimburse for: <ul style="list-style-type: none"> • communication expenses • out of pocket expenditures • per-diem of \$60 for attendance at workshops, etc 	Increased to \$15,000 Added provision for: <ul style="list-style-type: none"> • board credit card to access funds (rescinded December 2007) • carry-over of unspent funds • per-diem increased to \$70 	Allowance of \$18,000 by incorporating PD funds Greater specificity in items that can be claimed for reimbursement Per diem replaced by defined actual out of pocket expenses
Transfer of unspent monies to Board trust funds or school accounts for designated purposes	Trustees provided with a list of prioritized school needs to which transfers may be made	Restriction of transfers to prioritized needs removed
All equipment purchased for or by Trustee to be retained by Trustee		
Student Trustee expenses as determined by Director of Education		Student Trustees provided same allowances as elected Trustees

In addition to the central supports provided, elected Trustees and the student Trustee, were entitled to the following by 2007:

- | | | |
|----|---|----------|
| a) | Car Allowance | \$ 8,604 |
| b) | Discretionary Allowance | \$18,000 |
| c) | Constituency Assistance Allowance | \$18,000 |
| d) | Annual Ongoing Costs for cell, Blackberry, printer, internet, etc | \$ 3,780 |
| e) | Health Benefits (family rate) | \$ 3,400 |

Total	\$51,784
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For most of their tenure, Trustees could also claim 12.5 cents per kilometre traveled on Board business. In the 2006-2007 budget year, these claims varied from no claim for some Trustees to a high of \$2,872.00.

A one-time technology package expense of \$6,300 is also available to each Trustee at the beginning of his or her term. If a Trustee opts out of the standard package, or portions thereof, he or she may claim reimbursement for alternate equipment or services. All equipment provided to, or purchased by, Trustees is retained by them at the end of their term.

These policies in effect during the tenure of current Trustees have had three major corporate impacts.

First, the cost of governance at the TCDSB is now among the highest in the province. According to the last estimates filed by the Board, \$1,286,614 was spent supporting board governance for an average cost of over \$100,000 per elected Trustee or nearly \$15 per pupil. This is significantly above the \$400,000 grant received for this purpose. It is also well beyond the governance expense for boards that share the same jurisdiction or other Catholic Boards of similar size. As can be seen in Table 1, the Toronto District School Board spends an average of \$67,000 per Trustee or a little over \$6 per student, and the Dufferin-Peel Catholic District School Board an average of \$27,000 per Trustee or \$3.62 per student.

Second, the cost of governance has increased substantially since 2003. At that time the Board spent \$488,268 for this purpose. By 2007 it had increased by 260%. While governance costs rose at all boards, almost all of the increase at other boards was a direct result of changes to the Trustee honorarium regulation. At the Toronto District School Board, 70% of the increased cost was due to this factor. In the Boards serving the Ottawa-Carleton Region, the figure stood at over 80%, as it did for the York Region District School Board. In the Dufferin-Peel Catholic District School Board, regulatory change accounted for all of the increase. However, at the TCDSB, only \$171,235 of the \$798,446 increase, or 21.4%, was due to this factor. The remainder came from increases in allowances and cost of services provided.

Third, there is significant variability among Trustees in the types of activities for which they claim reimbursement from their discretionary funds. For some, advertising, promotion, hospitality and constituency assistant salaries have formed the greater part of their expense claims. For others, donations to community groups, transfers to school budgets and support of fundraising activities account for a significant part of Trustee expenditures. The range of individual Trustee claims is provided in Table 3. For each category, there are Trustees who make no claims, while others incur fairly significant expenditures. The expenses for paid advertisements, for example, range from \$0 to \$14,904. For transfer of funds to Catholic School Advisory Councils, the annual amounts claimed by individual Trustees range from \$0 to \$18,000. As well, there are a handful of Trustees who have not made any claim in particular categories over their entire tenure in office.

Policy Evaluation Framework

Trust and confidence are the currency of political institutions. Where citizens believe that their representatives are acting in the best interest of constituents, and are convinced that they are doing so in an effective and efficient manner, respect for, and confidence in, elected officials is high. Where these traits are absent, public cynicism and distrust of politicians is the norm.

Few items have as much power to affect the public's perception of elected officials as the manner in which they deal with the funds entrusted to them. Where politicians are perceived to be using the public purse inappropriately or to further their personal or political interests, public trust and confidence are eroded.

High standards for anyone responsible for public funds are crucial to ensure trust and confidence. They are even more critical for politicians since, in most cases, they are their own governing authority. The checks and balances present in corporate or bureaucratic structures can be overridden by political considerations.

Clear, consistent policies and procedures are the mainstay of effective standards. They set corporate expectations and protect corporate interest. However, they also serve to protect individuals from their own frailty and sometimes from attack by each other. Where policies are not clear, different interpretations are possible, mistakes occur more easily, a policy's insulating value is compromised and the policies themselves can become tools in administrative and political "turf wars".

While clarity and consistency are critical for all policy development, those governing the use of public funds must meet a number of other standards as well. They are fivefold.

First, expenditures supported by public funds must be appropriate and, equally important, seen to be so. To meet this test, services provided for Trustees and expenses Trustees are permitted to incur must be:

- directly related to the role of Trustee;
- consistent with statutory requirements and Ministry guidelines, and
- congruent with common values and accepted practices.

Second, what the policy provides or permits must have "integrity." The critical tests for this are:

- was there personal or political benefit, whether real or perceived, from the service or expenditure, and
- was the product or service acquired at arms length?

Third, the policy must ensure efficiency. Products and services must be acquired through the most cost-effective processes possible and the expenditures must represent value for money.

Fourth, the policy must ensure transparency, while having appropriate regard for individual privacy and confidentiality. Meaningful public accountability measures, both for reporting and the resolution of disputes, must be in place.

Fifth, the procedures in place to administer the policy must provide for adequate approval and control. These procedures must ensure that there is evidence that the product or service was actually provided and that the expense being claimed was incurred. Systems must also be in place to ensure that:

- payments are provided to the appropriate recipient;
- multiple payments of a claim are not possible;
- expenditure limits cannot be exceeded, and
- inappropriate expenses are not reimbursed.

The authority to deal independently with questionable expenses must also be incorporated.

These criteria provided the framework for the evaluation of the TCDSB policies and procedures affecting the provision of Trustee services and the reimbursement of expenses. They also guided the development of recommendations for their improvement.

Appropriateness of Expenditures and Services

The question of the appropriateness of expenditures and services is a difficult one. Neither the Education Act nor its regulations and guidelines specify what may be provided to, or claimed by, Trustees. Rather, the Act stipulates that:

- s. 191.2 (3) A Board may establish a policy under which a member of a board may be reimbursed for all or part of his or her out-of pocket expenses reasonably incurred in connection with carrying out the responsibilities of a board member.

As a result, boards have developed conventions regarding appropriate services and expenses. These conventions differ among school boards.

Difficult as it may be, determining “appropriateness” is crucial. The public must be assured that what Trustees have chosen to provide for themselves reflects the requirements of their role, are reasonable in the circumstances and do not unnecessarily divert funds away from student programs and services.

While assessment of appropriateness is important for all boards, it is even more crucial for the TCDSB. As previously noted, the cost of governance at the TCDSB is among the highest in the province. The average cost is over \$100,000 per Trustee or close to \$15 per student and has grown steadily since 2003. Almost all of the difference between this board and others is due to the service provided to trustees, the expenditures they are permitted to claim and the budgets established for these purposes. In such circumstances, public reassurance of appropriateness is critical.

While the Education Act provides few specifics, it offers important guidance. Six principles impact the determination of the appropriateness of services provided to Trustees at the TCDSB and expenses for which they may seek reimbursement:

1. *The Act is drafted as permissive legislation* – school boards only have the power given to them by the Act and only those corporate powers under the *Corporations Act* that are incidental and necessary for carrying out a board's mandate under the Act. If legislation does not give them a specific power, they may not exercise it.
2. *Powers are corporate rather than individual* – powers under the Act are conferred upon boards. Individual Trustees have no powers assigned to them.
3. *Expenses incurred must be directly connected with carrying out the responsibilities of a board member* – no provision exists to reimburse Trustees for expenses of a personal or political nature.
4. *Expenses must be reasonable in the circumstances* – Trustees are required to exercise caution and reflect accepted standards in the amounts claimed for expenses.
5. *Expense provisions are structured as reimbursements rather than entitlements* – all of the provisions of the Act refer to reimbursement for out-of-pocket expenses incurred rather than entitlement to an amount to be spent.
6. *Specific provisions are made for the manner of travel expense reimbursement* – the Act stipulates that:

s.191.2 (1) In respect of travel of a member of a board to and from his or her residence to attend a meeting of the board, or a committee of the board, that is held within the jurisdiction of a board, the board may,

- a) reimburse the member for his or her out-of pocket expenses reasonably incurred or such lesser amount as may be determined by the board; or
- b) pay the member an allowance at a rate per kilometre determined by the board.

s.191.2 (2) A board may by resolution authorize a member, teacher or official of the board to travel on specific business of the board and may reimburse the member, teacher or official for his or her out-of-pocket expenses reasonably incurred or such lesser amount as may be determined by the board.

Reimbursement must be based on either the actual expenses incurred or on a reasonable rate per kilometre traveled.

Appropriateness can also be inferred from the actual pattern of expenses incurred by Trustees. Comparing expenses among Trustees and between the various years of their tenure is particularly useful in determining what individual Trustees consider their “responsibilities” and assessing the appropriateness of the amounts dedicated to those purposes.

When these tests are applied against the policy and the manner in which it has been administered, concerns arise in a number of areas. They include:

- medical, health and dental benefits
- reimbursement for travel expenses
- hospitality
- transfer of funds
- gifts and awards, and
- retention of equipment.

The particulars of these concerns are as follows.

Medical, Health and Dental Benefits

In January 2007, a trustee proposed a motion that:

1. effective January 18, 2007, the Board provide medical, dental and life insurance coverage to Trustees in line with what is provided to non-union administrative staff, and
2. the Board self-insure the Trustees until such time that this matter is dealt with by the Board.

Although the Director of Education and legal counsel advised them that the authority to award themselves benefits did not exist, the motion was carried.

In 2006-07 the Board spent \$47,656 on Trustee benefits. Revised Estimates for 2007-2008 incorporate an expenditure of \$50,082.

Interviews with individual Trustees made it clear that the payment of benefits on their behalf is an important consideration. Many treat their role as full time or have no other source of benefit coverage. However, since the statutory authority is not provided in legislation, their payment is not a permissible expense.

Reimbursement for Travel Expenses

The Trustee Services and Expenditure Policy allows Trustees to choose one of three options for travel expenses incurred in relation to their duties:

- monthly car allowance, adjusted annually to reflect the percentage change in the kilometre rate defined in the Income Tax Act, or
- reimbursement at the limit for tax-exempt allowances for automobile operating expenses prescribed by the Income Tax Act, or
- reimbursement for travel by public transit or taxi.

Most Trustees opted for the monthly car allowance during their tenure. For 2006-2007 this amounted to \$8,604 annually.

This provision of the policy is problematic on two counts.

1. No authority to pay a monthly allowance exists in legislation. The Education Act specifies the manner in which travel expenses are to be reimbursed. Trustees may either submit actual receipts for travel expenses incurred on board business or they may be paid a rate per kilometre for such travel.
2. The monthly allowance represents an entitlement rather than a reimbursement. The amount paid is not based on actual travel. Rather it is an amount to which all Trustees are uniformly entitled. That it was intended to be an entitlement in the same fashion as the honorarium is evidenced by two further considerations:
 - the amount provided to Trustees is significantly higher than that paid to senior staff who must travel on a regular basis, and
 - until the latest revision, the policy contained a note indicating that *“the car allowance portion of this option will be reported on the Trustee’s T4 as a 1/3 taxable benefit exemption similar to the Trustee Honorarium.”*

During their interviews, Trustees indicated that reimbursement according to kilometres traveled would represent a significant administrative hardship in an already demanding and overburdened role. In their view, the allowance simply provides a way to ensure that Trustees will not be out of pocket for lost receipts, forgotten meetings and administrative errors. However, since the monthly car allowance represents an entitlement rather than a reimbursement and no authority to pay such an allowance exists, it is an inappropriate method of compensating Trustees for board travel.

Hospitality

The policy governing expenditure reimbursement allows Trustees to claim reasonable Board-related meal and hospitality expenses, provided that the expense report indicates those present and the reason for the expenditure. No further guidance is given.

As indicated in Table 2a, annual hospitality expenses ranged between \$15,000 and \$27,000 during the review period. The documentation submitted for these expenses rarely noted the purpose of expense or the attendees. Therefore a breakdown of these expenses beyond the \$3,500 portion attributed annually to ward and school council meetings was not possible.

Some provision for hospitality expenses is important. Trustees must be able to confer with colleagues and conduct ward and school based meetings. Meals and refreshments associated with these duties should be accommodated in the policy.

The review of the 2003-07 expenses related to this expense category raised a number of issues beyond those related to documentation (to which this report will return at a later point). These include:

- single meals claimed by Trustees
- multiple meals per day or per week
- hospitality on weekends, late evenings or early morning hours
- alcohol and minibar expenses, and
- out-of-jurisdiction hospitality expenses unrelated to professional development and board-approved travel.

Trustees are provided meals for most central meetings they attend. Therefore individual meals should be at a minimum. There may well be days on which Trustees are required to attend multiple meetings, but these should be the exception. Trustees may be occasionally required to meet with their counterparts from adjacent jurisdictions. However, hospitality expenses, and service provisions from jurisdictions outside of the board should be an infrequent occurrence.

The policy must provide more detail to clarify what constitutes appropriate hospitality expenses, particularly as these relate to meetings with constituents, out of jurisdiction expenses, and individual meals.

Transfer of Funds

The expenditure policy permits a Trustee to transfer the available balance in his or her discretionary budget to any Board established trust fund or any school account. As table 2b notes, during the tenure of the current Trustees of the Board, over \$156,000 was transferred to school accounts and a further \$50,000 was directed to School Advisory Councils by individual Trustees.

This provision of the policy has, in effect, created a fund which individual Trustees may allocate to causes of their choice at their sole discretion. While students and schools have undoubtedly benefited from the monies made available, concerns arise from two perspectives:

- such expenditures are beyond the original legislative intent. They do not represent a reimbursement for out-of-pocket expenses reasonably incurred in connection with the responsibilities of a board member. They are a discretionary transfer of funds provided as an entitlement rather than as a reimbursement; and
- allocation of funds is a decision that the *Education Act* assigns to the corporate body, not individual Trustees. Trustees do not have the authority to move monies to school accounts or board trust funds. Only the Board may do so.

Trustees have also made donations to school fundraising events, community groups, such as the Knights of Columbus, various summer camps and other charitable groups. They also make donations to sports groups or sponsor teams out of the funds budgeted for Trustee expenses. Under the *Education Act*, monies provided to boards from provincial grants or the local tax base are restricted to educational purposes. While such groups perform important community works and undoubtedly provide benefit to some children associated with the Board, Trustees are not elected to disburse educational funds for charitable purposes. Although the March 28, 2007, staff report recommended prohibiting contributions to external community groups and organizations, the recommendation was not incorporated in the approved policy.

Donations to charitable groups also raise the question of the disposition of the tax receipts received for the donation. Only a handful of such receipts were contained in the claims documentation. If the donation was made from public funds, then the tax deduction is the property of the Board.

Trustees were divided as to the appropriateness of direct transfers of funds to schools and donations to community groups. Some argued that:

- the ability to transfer money directly to schools or support charitable organizations and sports teams provided an important relief valve for projects that might otherwise become bottlenecked;
- individual Trustees had better knowledge of the needs of their schools and therefore could best determine how monies should be allocated; and
- contributions to charitable groups and sports clubs provided direct benefits to students and offered an ability to network, thereby increasing the profile of the TCDSB.

Others maintained that such practices should not be permitted since:

- they promoted inequity in the system because all Trustees do not have the same level of surplus funding to distribute;
- they created the potential for conflict with schools that did not receive funding from the Trustee; and

- they needlessly politicized the fundraising process.

While it benefits those who receive the funds and the communities they serve, the creation of a pool of money that Trustees may independently assign to schools, community organizations or charitable organizations is not appropriate, and can easily be perceived as a “political slush fund”.

Gifts and Awards

The discretionary budget assigned to Trustees may be used for “school and Board recognition expenses in accordance with Board hospitality and gift policies. These include graduation ceremonies, award ceremonies, school blessings, school closings, retirement receptions, etc.” Gifts of appreciation should have a value of less than \$100 and must be approved by the Director of Education or his designate.

Expenditures for these purposes are included in the category of “Other Donations and Events” in Table 2b. Between 2003-07, a little over \$90,000 was spent supporting such endeavours.

Recognition of achievements and exceptional service is important for any organization. It helps builds morale and creates organizational commitment.

For the most part, the policy in effect operates well. It does, however, require clarification in two important areas. A review of expenditures indicates that some Trustees:

- provide gifts to school administrators and Catholic School Advisory Council chairs;
- establish awards from their discretionary budget.

The use of education grants to buy gifts, seasonal or otherwise, from elected officials is beyond the legislative intent of the Education Act. The use of an individual trustee’s discretionary fund to establish student or staff awards is problematic from a different perspective.

School Boards must ensure that educational services and programs are provided across their jurisdiction in a fair and equitable manner. Vesting individual trustees with the responsibility to decide whether awards are established, their type, and the amount allocated does not respect this principle. Some schools may benefit, others may not; and the amounts allocated could differ significantly. The awards program should be governed by a board policy that applies equitably to all and be funded from a budget established for this purpose.

Retention of Equipment by Trustees

The Trustee Services and Expenditure Policy provides Trustees with the equipment required to perform their duties. This ranges from cell phones, fax machines and a home based computer and printer to Blackberrys, shredders and filing cabinets. Trustees may also purchase any additional equipment they deem necessary from their discretionary budgets. During the review period, such purchases have included digital cameras, organizers, office furniture, software and the like.

The policy further indicates that all such equipment and supplies “shall be considered the property of the Trustee concerned. Use and disposal of such equipment and supplies shall be at the sole discretion of the Trustee concerned.”

This is not the norm in most political organizations or public bureaucracies. Elected officials and staff are normally required to return any equipment or supplies purchased from public funds. Although Trustees were so advised in staff reports submitted on June 6, 2007, and October 11, 2007, this feature of the policy was retained.

The administration of the policy has also permitted rent to be claimed for use of office space in a Trustee’s home. This is also not the accepted practice. Such space is considered a normal part of the role and is generally deducted as a home office expense against the taxable portion of a Trustee’s honorarium.

Integrity of Expenses and Services

Being responsible for organizational governance and having the ability to put a claim on an organization’s resources and receive compensation for services performed on its behalf create the potential for significant personal benefit. Whether apparent or real, wherever the perception of personal benefit occurs, confidence in public institutions is quickly eroded.

To ensure organizational health and high levels of public trust, policies must be crafted to avoid conferring, or appearing to confer, unfair personal benefit. Three tests can be applied to determine whether this is the case.

First, it can be determined whether the manner in which the policy is structured permits personal or political benefits to flow to individual Trustees. Except for compensation authorized by law or benefits that normally accompany the responsibilities of office, no personal benefit should be directly or indirectly related to holding public office.

Second, one can assess whether the policy permits Trustees to confer benefits on family, friends or acquaintances. It may be intentional or unintentional and could occur either through direct payment for services or the ability to influence such decisions. The question of whether transactions are at arm’s length must also be considered.

Third, policies and processes can be analyzed to determine whether they permit Trustees to unduly influence one another. Coalitions, compromise and vote trading are part of the normal ebb and flow of political life. However, where policies allow this process to be potentially influenced by inducements, integrity suffers.

When these tests are applied to current policies of the board, concerns arise in four areas:

- awarding of contracts by Trustees
- hiring of staff
- purchase of advertising and promotional materials
- loans to Trustees

Awarding of Contracts by Trustees

Current policies permit Trustees to award contracts for goods and services without going through the board purchasing process. During the review period, individual Trustees have directly purchased services for promotional materials, assistance with newsletters, advertising, technology and office supplies. In addition, they have let personal services contracts for research support.

A review of these contracts indicates that Trustees have awarded constituency assistant, research and consulting contracts to relatives of sitting members or persons residing at the same address.

Trustees have also been permitted to use numbered companies or other corporate structures to provide services. In such instances it is difficult to ensure that these companies or corporations are fully independent of the person contracting the services.

As with other matters, Trustees were of different views as to the appropriateness of such activities. A number claimed that the provision of quasi-political services and personal assistance requires a great deal of confidentiality, discretion and judgment. In their view, the best way to ensure the necessary control and loyalty required are in place is to engage persons well known or related to the Trustee. Others are of the opinion that such preference is damaging to the integrity of the organization.

Hiring of Staff

During interviews with Trustees it also became apparent that some Trustees try to engage themselves in hiring for a variety of staff positions. This occurs in a number of ways. For example, Trustees have submitted resumes for positions directly to the human resources department, included their business cards along with applications, followed up directly with staff on progress and requested that the timing of hiring events be altered.

While there is no evidence that these activities have had any direct impact, they serve to create a climate of cynicism. It helps to foster the perception that Trustee influence is

critical for success. As one person noted, “one has to wonder if it is necessary to give a resume to the local Trustee to enhance the chances of being hired.”

Policies must be in place to ensure that such perceptions do not emerge.

Purchase of Advertising and Promotional Materials

The Trustee Services and Expenditure policy permits discretionary funds to be used to provide “assistance to Trustees in communicating with Board officials and their constituents by using newsletters, newspaper and periodical advertisements, and other means determined by the Trustee.” As Table 2 indicates, between 2003-07, slightly over \$242,000 was expended for this purpose. Slightly over \$86,000 was spent for Newsletters; with a similar amount dedicated to promotional materials and \$64,000 for paid advertisements.

Providing information about the Board and its activities is an important part of the Trustee’s role. Constituents must understand the services that are being provided on their behalf by the Board and the avenues to resolve any difficulties that may occur.

Expenditures for informational and promotional items support such activities. There are, however, two aspects of the spending pattern that are troublesome.

First, the spending on promotional materials such as pens, fridge magnets, calendars, business card holders and the like is relatively high. More importantly, a disproportionate amount of the total spending is accounted for by a small number of Trustees.

Second, there was a significant spike in spending on informational and promotional materials in 2005-2006, an election year for Trustees. Expenditures increased to \$104,000 from \$43,000 the previous year. While there is no evidence that any public funds supported election expenses of Trustees, the optics are poor.

Loans to Trustees

The policy governing the expenses of the Office of the Chair provides that “from time to time, the Board may approve expenditures incurred by other Trustees or staff which shall be charged to the Office of the Chair of the Board.” This provision ensures that Trustees or staff who are requested to represent the Board at events do not need to bear the expense from their budgets.

In addition to the foregoing expenses, there have been instances where individual Trustees have transferred a portion of their discretionary funds to other Trustees. They have also transferred monies to school projects outside their ward. Such activities can raise suspicion about their purpose. While the intention may have been noble, the perception leaves much to be desired.

Impact on Public Perception

Such practices can create the perception that public position creates private advantage. Whether they are systemic features of an organization's policies and practices, such as the foregoing examples, or more isolated examples, such as the direction of \$7,577 from a Trustee's discretionary funds to cover the tuition for the first year of a Master of Education Program, they have the potential to strain confidence.

Organizations concerned with perceptions of integrity protect themselves by adopting policies to ensure that little doubt can be cast on the personal or political benefits accruing to elected officials and create positions to monitor such activities. The City of Toronto, for example, has a policy that prevents Members of Council from hiring their own relatives or the relatives of other Members of Council. Their code of conduct also includes an improper use of influence provision. This provision prevents the use of one's status as a member of Council to improperly influence the decision of another person to gain private advantage for oneself, one's parents, children or spouse, staff members, friends or business associates. Finally, Members of Council are not permitted to act as sponsors of candidates for positions or supply references unless the Member has been an employer, teacher or supervisor of the applicant. It also employs an Integrity Commissioner and an Auditor General, who function as guardians of the public interest.

Efficiency and Effectiveness

Constituents expect that their representatives will spend the funds entrusted to them in the most effective and cost efficient manner possible. Expenditures must represent value for money. Political and bureaucratic waste inevitably lead to lack of confidence in public institutions.

Most organizations attempt to ensure value for money through purchasing policies that combine competitive vendor of record processes with some flexibility for minor local purchases. Such practices have the added benefit of providing independent verification of delivery of materials as specified in the contract.

The Trustee Services and Expenditure Policy does not require Trustees to make major purchases through vendors of record. During the review period, individual Trustees let a number of sizeable contracts. These occurred in three major areas:

- office equipment and supplies
- paid advertising
- promotional materials

Office Equipment and Supplies

Although Trustees are offered a standard set of services and equipment at the beginning of their term, they may opt out of any or all parts of the package. Where Trustees choose to buy alternate equipment, they may claim the cost from their discretionary budgets. Any additional equipment not provided in the standard package – for example, office furniture, digital cameras, pocket organizers, etc. – may also be reimbursed. Some of the purchases are sizeable, particularly for computer equipment and office furniture, and often represent products available through the board's vendors of record. Whether the purchases made directly by Trustees represent value for money cannot be determined since competitive quotes were not obtained.

Trustees normally have opted out of the standard package or purchased additional equipment because desired platforms or equipment are not available or because of compatibility issues with other home infrastructure. Staff has advised that compatibility issues can be resolved and the standard package can be revised to create platform choice for Trustees and incorporate the additional equipment that may be required. All equipment purchases should, therefore, be made through the purchasing policy.

Paid Advertising

Advertising expenses for Trustees over the four-year period amounted to \$64,000. A large part of this cost was accounted for by paid advertisements in church bulletins. Not all Trustees used this vehicle to provide contact information to their constituents.

It may be possible to provide the necessary Trustee contact information to parishioners in a more cost effective manner. Many churches already list the schools in their parish, their telephone number and the name of the principal on the faceplate of the weekly bulletin. The Archdiocese should be approached to determine if it is possible to require all parishes to do so and include the name and telephone number of the local Trustee. In this manner, all parishioners throughout Toronto would have ready access to contact information about their local Catholic school and Trustee.

Promotional Materials

As previously noted, slightly over \$84,000 was spent on promotional materials. The majority of these funds went to the purchase of fridge magnets, engraved pens, embossed track suits, golf shirts, hats, water bottles, tote bags and the like. These contracts were awarded to a small handful of suppliers. For example, one company received three orders valued at over \$18,000 for such items in a 14-month period from just two Trustees. These orders were not placed through the purchasing department. Hence it is difficult to determine whether the Board received value for money from these contracts.

Transparency

The power to spend public funds requires public accountability. Citizens must be able to independently assess whether the manner in which their representatives use the public purse is appropriate. The Trustee Services and Expenditure Policy contains two provisions related to public accountability.

First, staff is required to provide an annual report in public session of the Board that describes the amount of expenditures charged to each Trustee's discretionary budget. This report is normally presented in January of each year.

Second, all Trustee expenses are to be posted on the TCDSB website. The posting includes a general description of the expenses incurred and the receipts to substantiate them. Depending on how expenses are incurred and claimed, reporting can be as general as "Trustee expenses - Jan-March" or as detailed as individual expenses incurred. Expenses for 2006-07 are currently posted. Those pertaining to 2003-06 will be available in May 2008.

Effective transparency must be meaningful. The method in which data is made available must allow the public to assess whether elected officials have properly exercised their powers. Current reporting processes either use categories that are too broad to provide meaningful information or are too detailed for the public to make informed judgments. Constituents should not be expected to sift through hundreds of receipts to establish spending patterns.

More informed judgments could be made if, in addition to the data already provided, expenses were analyzed according to major spending categories similar to those used in this review. Implementation of such an approach would require changes in claims processes and tracking methodology.

Approval and Control

In order for expenses to be reimbursed, Board policy requires Trustees to submit a claim on the appropriate expense claim form. Claims may be made monthly and must be accompanied by an original invoice providing details of the expense, an original proof of expenditure and a description of the business reason for the claim. For hospitality or gift claims, the number of individuals in attendance and their respective roles must also be provided. The Director of Education or his designate must approve all expense claims.

In normal circumstances, these processes should ensure appropriate control of expenditures. Compliance with the provisions of the policy is guaranteed, proof of payment is ensured, and expenditures are contained within approved limits.

Despite appropriate design, the process failed in its application. Trustees did not always provide full documentation required by the policy for their expenses, proof of payment was lax and inappropriate expenses were incurred.

When queried as to why this situation occurred, Trustees were explicit as to the cause. Most acknowledged that staff had attempted to enforce the provisions of the policy, but political considerations intervened. As one Trustee put it, "Trustees saw themselves as mini councillors. Expenses were considered a personal prerogative. Accountability was seen as between Trustees and their constituents". It was also noted that at times some Trustees phoned clerks directly and "browbeat them into submission". Another opined that an attitude of "who is staff to tell me what to do" developed among some Trustees. Another claimed that the reference point as to the appropriateness of expenditures and the supporting documentation was a matter of personal judgment of the Trustee. As another Trustee succinctly put it "if a Trustee said it was an expense, it was an expense!" Whatever form the comment took, most acknowledged that the emergence of a culture of entitlement and the politicization of the approval process, prevented the operation of normal control processes. This allowed such inappropriate expenses as dry cleaning, shoe repairs, personal software, MTO license fees, mini-bar fees and a variety of other personal expenses to be claimed and reimbursed.

Correcting this situation is a difficult task. Staff reports to the Board of Trustees and can ultimately be ordered to carry out its directives. A degree of separation must be created between elected officials and expense approvals. In some organizations this is accomplished through the creation of positions such as Integrity Commissioners, Auditors-General or strong internal audit functions. Each has the independent authority to exercise moral suasion and mobilize public opinion to alter questionable practices on the part of public officials. Some equivalent function could be considered for school boards. In addition, the Director of Education could be empowered as the final authority on the validity of Trustee expenditures. If Trustees disagreed with the decision, they could appeal to the Board, in public session, with reasons why the decision of the Director should be overturned.

Control can also be strengthened by a number of process changes.

1. A variety of documents have been accepted as proof of payment for hospitality expenses. These include charge card receipts, restaurant tabs for services rendered and restaurant receipt stubs. Only the first of these offers proof of payment by the individual making the claim.

Allowing both restaurant bills and charge card receipts to be used for proof of payment has resulted in double billing for hospitality charges. In the space of one year, 10 duplicate payments were made to a single Trustee. Since the amounts on the restaurant bill and the charge card differ, as the latter usually includes a tip, current control procedures do not identify such transactions. An electronic tracking system that compares location, date and time stamps for claims submitted during the year would be required to do so. Alternately, charge card receipts could be identified as the only acceptable documentation for proof of payment of hospitality receipts.

2. Cash register tapes that do not identify items purchased are also included in the proof of purchase documentation for the review period. At times no specifics of the expense are provided and the cash register tape itself does not indicate that payment has been made. Cash payments for sizable amounts are also problematic. Where such claims are made, as with a claim for nearly \$2,000 made by one Trustee for technology purchases, a rationale for the use of cash should be required to accompany the request for reimbursement.
3. A number of Trustees use gifts cards for Chapters, the LCBO and other stores for awards to students and recognition of staff and school volunteers. Reimbursements for this purpose have ranged up to \$1,000. Since the cards are portable and could be used for any purpose, where they are used, Trustees should be required to provide a list of recipients and the purpose of the gift prior to any reimbursement.
4. The documentation for the work performed by Constituency Assistants is incomplete. It is often described in generic terms – for example, meeting with parents, responding to constituents, etc. – and in some cases is identical from month to month. Details of the activities performed and time spent are rarely provided. If all constituency assistants were employees of the board rather than individual Trustees, work could be more easily monitored and value for money readily assured. It would also ensure that criminal reference checks required of anyone who potentially works with schools are in place. This is currently not the case for all constituency assistants.

Finally, control processes are enhanced where staff has the capacity to monitor trends, identify anomalies and make recommendations for improvement. A revised claims form which codes the purpose of the expense, the category into which the claim falls, and the

method, date and time of payment could feed an electronic data base that would greatly assist in this process.

Follow-up Activities

This review has focused on policy issues that arise from the manner in which Trustee expenses are claimed, approved and reimbursed at the TCDSB. Although not forensic in nature, it did point to issues that need to be followed up with individual Trustees to ensure that only appropriate, fully documented expenses have been reimbursed. A number of items were identified as potential issues:

1. expenses unrelated to the role;
2. double billing;
3. reimbursements for poorly substantiated claims;
4. insufficient evidence for receipt of goods/services, and
5. personal expenditures.

At the conclusion of the audit previously performed by the Board's external auditors, Trustees were provided with a list of expenditures that required further discussion and were invited to respond. None did so until offered a similar opportunity by staff. As a result the majority of issues related to 2006-2007 were resolved. This process must be undertaken again for the 2003-06 period to ensure the integrity of public expenditures is maintained.

Recommendations which follow (page 29 below) address the manner in which this process should be conducted.

The Role of the Province

School Boards are creatures of the Province. The Legislation under which they function and the regulations and guidelines they must follow are set by the Legislature and the Ministry of Education.

The Ministry has recently taken a more active role in providing oversight and guidance on expenses related to governance and administration. Guidelines for advertising, advocacy, corporate credit cards, travel and hospitality have been issued.

Since Boards are their own approving authority for expenses, the Ministry should investigate additional ways of improving oversight and transparency. This could include items ranging from a requirement for all boards to file their Trustee expense policies with the Ministry of Education and seeking approval from the Ministry for major changes in policy direction governing Trustee expenses, to submitting an annual summary of individual Trustee expenses or mandating boards to publish the annual summary of

individual Trustee expenses within their jurisdiction. The Ministry could also consider publishing a comparative analysis of Trustee expenditures annually.

Finally, the Ministry should investigate the possibility of providing statutory authority to the Director of Education for the approval of Trustee expenses. This would provide the separation necessary for a depoliticization of the expense approvals process and clearly vest accountability for the results.

Recommendations

This review has identified significant issues in current TCDSB policies and procedures governing services provided to Trustees and reimbursement of expenses incurred in the performance of their duties. The appropriateness and integrity of services and expenditures, their effectiveness and efficiency, transparency of reporting and improvements in controls are all issues that must be addressed.

To ensure accountable, appropriate and transparent expenditure and expense policies and practices are in place, is recommended that:

1. the Board rescind the motion of January 17, 2007, authorizing the payment of medical, dental and life insurance benefits for Trustees.
2. the services and equipment provisions of the Trustee Services and Expenditure Policy be amended to require:
 - a. Trustees to acquire all home-based-office technology and equipment and any replacement from a standard package of Board developed options;
 - b. assume personal financial responsibility for any services they opt to acquire from other sources; and
 - c. return all equipment and supplies to the Board at the end of their term.
3. the discretionary budget provisions of the Trustee Services and Expenditure Policy be amended to:
 - a. eliminate the annual carry-over of unspent discretionary funds;
 - b. remove the provision for transfer of available balances to school accounts and trust funds;
 - c. prohibit the transfer of discretionary funds to other Trustees; and
 - d. exclude donations to community groups, sporting clubs or charitable organizations, gifts and awards, rent for home office space and courses leading to certification, diplomas or degrees. It should also exclude out-of-jurisdiction hospitality expenses that have not received prior approval of the Director of Education and Chair of the Board as recognized discretionary expenses.

4. the normal business travel section of the Trustee Services and Expenditure Policy be amended to base reimbursement on either actual out of pocket expenses or a rate per kilometre not to exceed that permitted under the Income Tax Act.
5. the Trustee Services and Expenditure Policy require any contract for the purchase of goods or services over \$500 or for which there is a vendor of record, be let through the Purchasing Department. Any contracts awarded directly by Trustees outside of this framework will be the personal responsibility of the Trustee.
6. control procedures be revised to:
 - a. eliminate restaurant bills or stubs as sole proof of payment;
 - b. require a rationale for any cash payments over \$100;
 - c. require a listing of recipients of gift cards used for board approved awards;
 - d. track the purpose of the claim, its expense category, the method of payment and the date and time on substantiating documentation; and
 - e. capture all data in an electronic database to facilitate analysis and reporting.
7. the Director of Education be authorized to withhold payment of inappropriate expenses and claims without adequate documentation. Where Trustees wish to challenge the decision of the Director of Education regarding the appropriateness of an expense claim, they be required to do so in public session of the Board.
8. the Board receive reports on the expenditure patterns of all Trustees in public session once each quarter and that annual summaries according to major expense categories be posted on the web.
9. all research, administrative and constituency support services be provided through the Board.
10. the Board adopt a Code of Conduct similar to that of the City of Toronto which:
 - a. prohibits elected members from hiring their own relatives and the relatives of other Members of Council; and
 - b. imposes restrictions on the improper use of influence in board decisions.
11. the Board develop a policy on the acceptable uses of discretionary funds for newsletters, paid advertising and promotional material during election years.
12. the Board develop an awards policy to replace the practice of individual trustees funding student awards from their discretionary budget.

13. the Board approach the Archdiocese of Toronto regarding the possibility of including the names of schools, their principal and the local Trustee on the faceplate of all parish bulletins.
14. the budget allocated to board governance be adjusted to reflect the recommended policy changes and bring expenditures in line with other boards in the province.
15. all policies of the Board be reviewed for consistency with the foregoing recommendations and redrafted where necessary.
16. the Ministry of Education monitor the implementation of these recommendations by the Toronto Catholic District School Board.
17. the Ministry of Education consider requiring all school boards to;
 - a. file their Trustee expense policies with the Ministry; and
 - b. review their current policies and practices for consistency with the major policy directions outlined in this report
18. the Ministry of Education investigate the possibility of providing statutory authority for the approval of Trustee expenses to the Director of Education.
19. the Ministry of Education consult with provincial trustee organizations on methods of improving oversight and reporting of trustee expenses.
20. the Minister of Education appoint an external auditor to work with individual Trustees on the reconciliation of expense claims from 2003-08 and report the results to the Minister of Education.

Next Steps

Effective implementation of these recommendations in TCDSB requires a three-stage process.

1. development of the policy documents and control procedures required to amend the Trustee Services and Expenditure Policy. This work should be completed for presentation to, and approval by, the Board no later than June 30, 2008.
2. drafting of ancillary policies recommended by this review and filing of all expense policies with the Ministry no later than September 30, 2008; and .
3. reconciliation of 2003-08 expenses claims no later than September 30, 2008

In order to ensure compliance with the new policy and to assess the effectiveness of the new approach, the manner in which the recommendations of this report are being implemented should be monitored for a two-year period. This should be done by either a Ministry official or an external ministry appointee.

Trust and Public Confidence

Trust has been defined as the belief that “others will take your interest into account, even if it is not in their interest to do so”¹. It is a fragile commodity – difficult to maintain and even harder to re-establish once it has slipped away.

What appears to have been questionable or inappropriate use of public funds by some Trustees has significantly strained trust – not only between Trustees and their constituents but also, as noted in the interviews conducted for this review, among Trustees themselves. If the Board is to move forward, this is the core issue that must be addressed. It is a pre-requisite for the professional respect required for effective decision-making and a healthy, productive organization that has the confidence of its electors.

The recommendations contained in this report are designed to minimize the risks, both real and perceived, that accompany the power to control public funds. Doing so is an indispensable step in gaining the public confidence that is a critical pillar for the success of public education.

¹ R. Breton and N.J. Hartmann et al., 2004. *A Fragile Social Fabric? Trust, Fairness and Social Commitment in Canada*. Montreal: McGill-Queens University Press.

Table 1
Trustee Expenses at Selected School Boards

Board		Total Expense		Cost per Trustee		Cost per Pupil²	
Catholic Boards		2003-04	2007-08	2003-04	2007-08	2003-04	2007-08
1	Dufferin-Peel Catholic DSB	\$277,750	\$300,315	\$25,250	\$27,301	\$3.43	\$3.62
2	Ottawa-Carleton Catholic DSB	\$103,620	\$206,198	\$10,362	\$20,620	\$2.68	\$5.42
3	Ottawa-Carleton DSB	\$208,572	\$380,229	\$16,004	\$31,686	\$2.99	\$5.74
4	Peel DSB	\$349,786	\$518,155	\$29,149	\$43,180	\$2.77	\$3.72
5	Thames Valley DSB	\$120,268	\$295,645	\$9,279	\$22,742	\$1.55	\$4.02
6	Toronto Catholic DSB	\$488,268	\$1,286,614	\$40,689	\$107,218	\$5.53	\$14.94
7	Toronto DSB	\$802,767	\$1,474,106	\$40,138	\$67,005	\$3.07	\$6.04
8	York Catholic DSB	\$218,693	\$461,470	\$21,869	\$38,456	\$4.55	\$8.99
9	York Region DSB	\$297,026	\$525,002	\$24,752	\$43,750	\$3.08	\$5.03

Source : Ministry of Education Board Administration and Governance History

Figures are taken from data supplied to the Ministry of Education by school boards through either final audited statements or revised estimates

² For most boards, almost all of the increase in expenditures for 2007-08 was a result of changes to the *Honoraria for Board Members* regulation under the Education Act.

Table 2a
Trustee Expense Claims by Category and Year

Category	Year				Total
	2003-04	2004-05	2005-06	2006-07	
Information and Promotion	\$25,281	\$43,611	\$104,064	\$69,059	\$242,015.00
Hospitality	\$17,115	\$25,895	\$26,956	\$15,107	\$85,073
Professional Development	\$11,332	\$9,030	\$12,445	\$5,778	\$38,585
Transfer of Funds	\$14,001	\$13,401	\$90,583	\$88,185	\$206,170
Donations and Events	\$31,117	\$54,062	\$84,386	\$38,262	\$207,827
Travel	\$2,362	\$1,689	\$2,994	\$6,093	\$13,138
Research & Assistance	\$2,934	\$44,541	\$82,619	\$133,104	\$263,198
Office Expenses not in Standard Package	\$28,681	\$40,682	\$34,261	\$22,982	\$126,606
Miscellaneous	\$7,228	\$18,252	\$24,068	\$16,978	\$66,526

Note: Expenses in these categories reflect allocations from the following specific trustee allowances:

- discretionary allowance
- constituency allowance
- annual ongoing cost for home office expenses

Table 2b

Trustee Expense Claims by Category and Year

Category	Item	Year			
		2003-04	2004-05	2005-06	2006-07
Information and Promotion					
	Newsletters	\$8,654	\$19,996	\$30,186	\$27,855
	Paid Advertisements	\$10,511	\$13,603	\$27,921	\$11,467
	Promotional Materials	\$5,479	\$9,005	\$42,615	\$27,479
	Other	\$637	\$1,007	\$3,342	\$2,258
Hospitality	Meals	\$16,883	\$22,336	\$23,980	\$11,594
	School & Ward Meetings	\$232	\$3,559	\$2,976	\$3,513
Professional Development	Conferences & Workshops	\$11,332	\$9,030	\$12,445	\$5,778
Transfer of Funds	Schools	\$3,901	\$8,323	\$74,833	\$69,385
	CSAC	\$10,100	\$5,078	\$15,750	\$18,800
Donations and Events	School Fundraising	\$5,059	\$14,234	\$10,841	\$14,116
	Community Groups	\$3,282	\$7,489	\$4,542	\$3,936
	Trust Fund	\$0	\$2,799	\$28,988	\$3,000
	Sponsorships	\$650	\$4,290	\$7,745	\$4,891
	Other	\$22,126	\$25,250	\$32,270	\$12,319
Travel	Kilometrage & Taxis	\$2,362	\$1,689	\$2,994	\$6,093
Research & Assistance	Constituency Assistants	\$2,934	\$44,541	\$82,619	\$133,104
Office Expenses	One Time	\$7,281	\$13,221	\$13,926	\$8,826
	Ongoing	\$21,400	\$27,461	\$20,335	\$14,156
Miscellaneous		\$7,228	\$18,252	\$24,068	\$16,978

Table 3
Range of Individual Trustee Claims by Category and Year

Category	Item	Year				No Claims
		2003-04	2004-05	2005-06	2006-07	
Information and Promotion						
	Newsletters	\$0-\$2,713	\$0-\$5,140	\$0-\$14,167	\$0-\$6,997	0
	Paid Advertisements	\$0-\$4,622	\$0-\$6,112	\$0-\$14,904	\$0-\$4,939	1
	Promotional Materials	\$0-\$2,133	\$0-\$2,716	\$0-\$13,140	\$0-\$8,222	2
	Other	\$0-\$637	\$0-\$577	\$0-\$1,443	\$0-\$2,258	5
Hospitality						
	Meals	\$0-\$6,977	\$0-\$5,604	\$0-\$5,557	\$0-\$4,107	1
	School & Ward Meetings	\$0-\$208	\$0-\$982	\$0-\$1,096	\$0-\$1,040	3
Professional Development						
	Conferences & Workshops	\$0-\$4,554	\$0-\$2,234	\$0-\$2,890	\$0-\$1,813	1
Transfer of Funds						
	Schools	\$0-\$2,600	\$0-\$6,450	\$0-\$39,699	\$0-\$18,000	2
	CSAC	\$0-\$5,400	\$0-\$1,350	\$0-\$15,750	\$0-\$18,000	1
Donations and Events						
	School Fundraising	\$0-\$1,580	\$0-\$4,210	\$0-\$4,040	\$0-\$4,650	2
	Community Groups	\$0-\$1,000	\$0-\$2,150	\$0-\$1,050	\$0-\$1,460	1
	Trust Funds		\$0-\$2,800	\$0-\$18,000	\$0-\$3,000	9
	Sponsorships	\$0-\$650	\$0-\$2,190	\$0-\$3,316	\$0-\$2,791	3
	Other	\$0-\$7,250	\$0-\$5,200	\$0-\$10,347	\$0-\$3,248	0
Travel						
	Kilometrage, Taxis & Travel	\$0-\$1,594	\$0-\$708	\$0-\$2,840	\$0-\$2,872	2
Research & Assistance						
	Constituency Assistants, Researchers	\$0-\$2,000	\$0-\$21,450	\$0-\$20,483	\$0-\$18,773	1
Office Expenses						
	One Time	\$0-\$2,064	\$0-\$6,486	\$0-\$8,308	\$0-\$4,500	0
	Ongoing	\$0-\$7,165	\$0-\$4,791	\$0-\$4,742	\$0-\$3,391	0
Other						
	Miscellaneous	\$0-\$5,813	\$0-\$9,593	\$0-\$5,456	\$0-\$6,512	0
Total Claims		\$1082-\$25,910	\$5,684-\$41,026	\$18,185-\$57,258	\$27,625-\$38,602	

Note: “No Claims” category indicates the number of trustees who never made a claim in that category throughout the four year period.



REPORT TO

AD HOC TRUSTEE SERVICES COMMITTEE

REVIEW OF TRUSTEE SERVICES AND EXPENDITURE POLICY

“To the Jews who had believed him, Jesus said, “If you hold to my teaching, you are really my disciples. Then you will know the truth, and the truth will set you free.”

John 8:31-32

Created, Draft	First Tabling	Review
January 17, 2019	January 22, 2019	Click here to enter a date.

P. De Cock, Comptroller of Business Services & Finance

INFORMATION REPORT

Vision:

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Mission:

The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.

We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.



Rory McGuckin
Director of Education

D. Koenig
Associate Director
of Academic Affairs

L. Noronha
Associate Director of Facilities,
Business and Community
Development, and
Chief Financial Officer

A. EXECUTIVE SUMMARY

This report provides the Ad Hoc Trustee Services Committee with both the TCDSB Policy T.17 and additional contextual information provided to Trustees during an Orientation Session on November 12th 2018 in order to facilitate a review and consideration of required updates.

The cumulative staff time required to prepare this report was 2 hours.

B. PURPOSE

1. This report responds to a trustee motion approved by the Board of Trustees during the Student Achievement Committee meeting on December 6th 2018.
2. The motion approved by the Board of Trustees resolved that:
 - An Ad Hoc Committee be established to review Trustees Services and Expenditures and recommend changes (if any), and
 - That the Trustee Expenses Committee consist of at least (3) members, and
 - That the Terms of Reference include but not be limited to updating and reviewing Policy T.17 and make recommendations for change (if any) to the Governance Committee.

C. EVIDENCE/RESEARCH/ANALYSIS

1. The current TCDSB Policy T.17 (Trustee Services and Expenditures) appears in Appendix A. Staff recommend a section by section review be conducted verbally at the Ad Hoc meeting to allow for direct feedback from Trustees to staff. Staff will also be available to provide advice where requested. The Chair of the Committee, at their discretion, could lead the section by section review to solicit input from all members and facilitate discussion and/or debate as needed. The feedback received will be used by staff to amend the policy and bring a new draft to the Committee at the following meeting for consideration.
2. Additional information regarding TCDSB Policy T.17 provided to the Board of Trustees during an Orientation Session on November 12th 2018 appears in

Appendix B. This contextual background is provided in order to guide the review and consideration of required changes to the Policy.

D. CONCLUDING STATEMENT

This report is for the consideration of the Ad Hoc Trustee Expenses Committee.



POLICY SECTION: Trustees

SUB-SECTION:

POLICY NAME: Trustee Services and Expenditures

POLICY NO: T. 17

Date Approved: September 2015	Date of Next Review: October 2020	Dates of Amendments: October 19, 2017- Board; April 23, 2015 – Board; September 12, 2013 – Corporate Affairs; May 15, 2012 – Board; March 7, 2012 – Board; February 14, 2012 – Governance and Framework Committee; June 10, 2009; August 26, 2008 – Supervision Team (The Board)
Cross References: Employee Expenses (F.M.01) <i>Education Act</i> , RSO 1990 Ontario Public Service (OPS) Travel, Meal and Hospitality Expenses Directive (Ontario Management Board of Cabinet, November 2004; amended January 1, 2017) <i>Public Sector Expenses Review Act</i> , 2009 Broader Public Sector Expenses Directive (Ontario, updated February 23, 2017) Broader Public Sector Perquisites Directive (Ontario) <i>Broader Public Sector Accountability Act</i> , 2010 (Part IV – Expense Claims: Allowable Expenses)		
<i>TCDSB's Operational Expense Procedures</i> <i>Trustee Expense Model</i>		

Purpose:

A Board Policy is required to establish the rules and regulations regarding the reimbursement of expenses, and the provision of central support services in compliance with the Ontario Education Act, Broader Public Sector Directive for Expenses, and any other related Ontario Regulations.

Scope and Responsibility:

This policy governs the manner in which the Toronto Catholic District School



POLICY SECTION: Trustees

SUB-SECTION:

POLICY NAME: Trustee Services and Expenditures

POLICY NO: T. 17

Board shall provide equipment and support services, reimburse Trustees for professional development activities and specified out-of-pocket expenses required to carry out their responsibilities as a member of the Board.

Alignment with MYSP:

Strengthening Public Confidence
Excellence in Governance

Policy:

The Toronto Catholic District School Board shall provide equipment and support services required by trustees to carry out their responsibilities as a member of the Board. In addition it will reimburse Trustees for professional development activities and specified out-of-pocket expenses incurred in carrying out their duties.

Only expenses expressly permitted in this policy will be eligible for compensation.

Regulations:

A. Equipment

1. Trustees will be provided with the following equipment and associated services for use throughout their term of office, the particular items be provided in consultation with the individual trustee. The cost for equipment and associated services will be funded through a block account within the Trustee Services budget and apportioned to Trustees according to use. Any charges above the specified limits will be the responsibility of individual trustees:

- (a) home based computer and printer



POLICY SECTION: Trustees

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- (b) home based fax machine
 - (c) TCDSB home based telephone line
 - (d) cellular phone or Blackberry
 - (e) tablet computer (WiFi only)
 - (f) filing cabinet
 - (g) large cross cut shredder with accessories
 - (h) voice mail and answering service
 - (i) high speed internet service
 - (j) office software
2. All equipment and services will be in accordance with the Information Standard for Trustee Home Offices. Equipment may be obtained from the Boards standard supply catalogue *or* other equipment of equal dollar value. At the end of the Trustee's term of office the Trustee will have the option to purchase any equipment at the depreciated value or return the equipment to the Board.
3. Maximum expenditures, inclusive of taxes and service charges, for telephony, data and internet services shall not exceed the limit per annum per Trustee as approved by the Board of Trustees and posted in the Policy Register's Operational Procedures - Expense Limits for the following services:
- (a) cellular telephone services or Blackberry,
 - (b) long distance charges,
 - (c) high speed internet, associated telephone lines and associated costs to get emails on iPad or Tablets.

The monthly maximum to be reviewed annually to reflect cost increases.



POLICY SECTION: Trustees

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POLICY NAME: Trustee Services and Expenditures

POLICY NO: T. 17

B. Support Services

1. Trustees will have access to the following services throughout their term of office:
 - (a) research, administrative and constituency supports
 - (b) newsletters
 - (c) courier delivery
 - (d) photocopying
 - (e) photography for Community events
 - (f) business cards
 - (g) promotional materials as approved by the Board
2. Research, administrative and constituency support will be provided through Trustee Services support personnel. The complement will be reviewed periodically to ensure effectiveness and efficiency of service.
3. Newsletters will be fact checked by the Communications Department in consultation with individual trustees. Trustees will retain editorial control. Printing services will be provided through the Board.
4. No newsletters or promotional materials will be provided for the trustee in the three months prior to an election
5. Costs for support services will be funded through a block account within the Trustee Services budget and apportioned to trustees according to use. Amounts expended on photocopying, business cards and promotional materials will be part of the maximum that can be claimed for out of pocket expenses outlined in section E.



POLICY SECTION: Trustees

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POLICY NAME: Trustee Services and Expenditures

POLICY NO: T. 17

C. Professional Development

1. Trustees may subscribe to educational publications or periodicals, and with the prior approval of the Board, attend educational conferences, conventions or workshops to become knowledgeable and remain current with educational trends.
2. Professional development expenses may include:
 - (a) course, conference or workshop registration;
 - (b) travel to the event via public transportation or personal vehicle according to section D of this policy;
 - (c) standard hotel accommodation;
 - (d) meals for the registrant not included in the registration fee. The allowable meal expense reimbursement limits will be set according to the Broader Public Sector Expenses Directive, and amended from time to time as required;
 - (e) faxes, and internet charges related to the conduct of trustee duties;
 - (f) where the professional development activity is outside of the Greater Toronto Area, transportation to the event via public carrier at the lowest practicable costs and taxi charges during the event may be included as expenses. If transportation to the event is via personal vehicle, applicable parking charges may be included in addition to the per kilometre reimbursement; and
 - (g) individual memberships in educational organizations, subscriptions to local newspapers or educational periodicals.



POLICY SECTION: Trustees

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3. Professional development will be reimbursed from a block account established for this purpose within the Trustee Services budget upon submission and approval of the Trustee Professional Development Expense Claim and original receipts as specified in Section F of this policy. Reimbursement for professional development activities shall not exceed the limit per annum per Trustee as approved by the Board of Trustees and posted in the Policy Register's Operational Procedures - Expense Limits.
4. Courses of study, which lead to diplomas or degrees, or expenses not specifically detailed in this section of the policy, shall not be eligible for reimbursement.

D. Travel on Board Business

1. Trustees may be reimbursed for out of pocket travel expenses incurred while on Board business. Eligible expenses include:
 - (a) a rate per kilometre to be aligned with the Canada Revenue Agency (CRA) rate, and amended from time to time as required;
 - (b) paid parking associated with the travel;
 - (c) TTC tokens; and
 - (d) taxi fares to and from the meeting site.
2. Travel expenses where previous approval was obtained by the Board of Trustees shall be reimbursed upon submission and approval of the Trustee Travel Expense Claim. The amount claimed will be charged against the maximum payable under this policy for out-of-pocket expenses outlined in section E. Where approved claims exceed the per annum limit per Trustee as approved by the Board of Trustees and posted in the Policy Register's



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Operational Limits, the travel expenses above that amount will be funded from a central account and apportioned to the Trustees for reporting purposes.

E. Additional Out of Pocket Expenses

1. In addition to travel on Board business, trustees may be reimbursed for the following out-of-pocket expenses incurred in their role as members of the Board:
 - (a) hospitality expenses, to hold school or ward based meetings shall not exceed the limit per annum per Trustee as approved by the Board of Trustees and posted in the Policy Register's Operational Procedures - Expense Limits;
 - (b) consumable supplies for home-based office;
 - (c) postage for board business or communicating with constituents;
 - (d) development and printing of constituency materials other than newsletters including advertisements;
 - (e) Community and/or school or student recognition
 - (f) fees for information requests.
2. Reimbursement for out of pocket expenses shall not exceed the limit per annum per Trustee as approved by the Board of Trustees and posted in the Policy Register's Operational Procedures - Expense Limits.
3. Reimbursement for out of pocket expenses incurred by the Chair of the Board in her/his capacity as Chair shall not exceed the limit per annum per Trustee as approved by the Board of Trustees and posted in the Policy Register's Operational Procedures - Expense Limits.



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4. Reimbursement for out of pocket expenses incurred by the Vice-Chair of the Board in her/his capacity as Vice-Chair shall not exceed the limit per annum per Trustee as approved by the Board of Trustees and posted in the Policy Register's Operational Procedures - Expense Limits.
5. Out of Pocket Expenses will be reimbursed upon submission and approval of the Trustee Expense Claim Form from a block account established for this purpose within the Trustee Services Budget.

F. Reimbursement for Out of Pocket Expenses

1. All claims for reimbursement of out-of-pocket expenses must be submitted to the Director of Education on administratively prescribed forms within two months of the expenses being incurred. Claims forms will detail the nature of the expense, the category of the expense, the rationale for the claim, the method of payment, and/or names of persons hosted or locations visited.
2. Only expenses specifically permitted under this policy may be claimed for reimbursement.
3. Where the forms have not been duly completed or the Director of Education is of the opinion that the claim is outside the provision of the policy the Director is authorized and obligated to deny the claim. Rationale for denial will be provided to the trustees prior to denial of the claim.
4. Hospitality expenses must be supported by the original restaurant receipts and credit card voucher. There will be no reimbursement for alcoholic beverages.
5. Cash expenses of over \$100 will not be reimbursed unless prior approval of the Director has been obtained.



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POLICY NAME: Trustee Services and Expenditures

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6. Where a Trustee disagrees with the decision of the Director of Education, he/she may make a written statement of claim, which shall be placed on the agenda of the next public session of the Board for discussion and decision.

G. Reporting

1. All trustee expenses will be posted quarterly to the Board Web Site and reported publicly to the appropriate Committee of the Board according to the following categories:
 - (a) Office Equipment and Supplies
 - (b) Telephone, Internet and Wireless Communication Services
 - (c) Postage and Printing
 - (d) Professional Development
 - (e) Travel for Board Business
 - (f) Hospitality
 - (g) Advertising and Promotion
 - (h) Research and Professional Services
2. All expense reports will remain on the Board website until 1 year after the expiry of the current term of office.

I. General Provisions

1. No transfer of funds is permitted between the various budgets established to support Trustee Services and Expenditures.
2. Unspent funds in the Trustee Services Budget cannot be carried forward to the next Trustees' budget year.



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3. The budget year for trustee expenses is from December 1st until November 30th.
4. Services and re-imbursement limits may be reduced to reflect budgetary considerations.
5. Where an amount has been paid by the Board to a trustee in violation of the *Education Act* or Board policy and where such amount has not been repaid to the Board, the Board will withhold all or part of a trustee's honorarium until the Board has been reimbursed in full.



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Definitions:

Ontario Public Service (OPS) Travel, Meal and Hospitality Expenses Directive (Ontario Management Board of Cabinet, November 2004; amended January 1, 2017)

This directive sets out the rules for government employees, appointees, contractors and other designated persons to claim reimbursement for work-related travel, meal and hospitality expenses.

Broader Public Sector Expenses Directive (Ontario, updated February 23, 2017)

This directive sets out the requirement for designated broader public sector (BPS) organizations to establish rules related to perks in cases where perks are provided through public funds.

Broader Public Sector Perquisites Directive (Ontario)

The requirements set out in this document raise the level of accountability and transparency for designated broader public sector (BPS) organizations, contributing to greater alignment with the high standards expected in ministries and agencies of the Government of Ontario.



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Evaluation and Metrics:

Financial reporting and public disclosure of trustee services and expenditures will be disclosed as required by this Board Policy on a quarterly basis.



Trustees Services and Expenditures Board Policy T.17

November 12, 2018

Notice of Motion

- BE IT RESOLVED THAT: an Ad Hoc Committee be established to review Trustee expenditures and services and recommend changes (if any); and
- FURTHER BE IT RESOLVED that the Trustee Service Committee consist of at least (3) three members; and
- FURTHER BE IT RESOLVED that the terms of reference include but not be limited to updating and reviewing policy T.17 and make recommendations for change (if any) to the Governance Committee





Individual Resources

Pooled Resources

Trustees Services Budget
\$11,000

Expenses Paid by Board

Breakdown:

Cellphone & Internet Services
\$3,980

- Internet service (\$100/mo)
- Long Distance (200/yr)
- Cellphone Service (\$150/mo)

Support Services
\$4,020

- Office Equipment and Supplies
- Postage & Printing
- Travel for Board Business
- Hospitality (\$500/yr)
- Advertising & Promotion
- Research & Professional Services

Professional Development
\$3000

- Educational Conferences, conventions or Workshops
- Diploma/Degree programs are not eligible

- laptop computer, printer, telephone
- Office software
- Tablet Computer (Wifi only)
- Cellular phone
- Voice mail and Answering Service
- High Speed Internet Service
- Filing Cabinet and Shredder

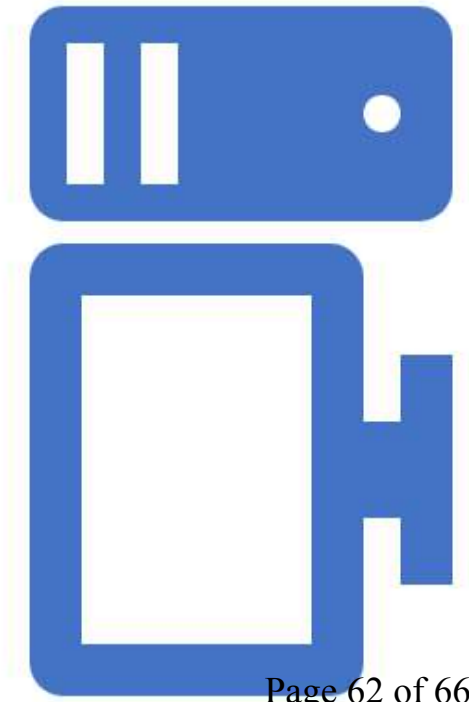
Travel on Board Business

- Up to **\$2,000/yr** (in excess will be charged to Trustee's budget)

Notes: Out of pocket reimbursement shall not exceed \$4,020/yr

Cash Expenses exceeding \$100 will not be reimbursed unless prior approval of the Director has been obtained, and original receipts are required

Version: November 2018



POOLED RESOURCES

Expenses paid by the Board

- Laptop computer, printer, telephone
- Office software
- Tablet computer (Wi-fi only)
- Cellular phone
- Voice mail and Answering service
- High Speed Internet Service
- Filing Cabinet and Shredder
- Travel on Board business up to \$2,000/year

INDIVIDUAL RESOURCES

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Expenses paid by Trustee Expense Budget:

- Cellphone, Data & Internet Service (\$3,980/yr.)
- Internet service (\$100/mo.)
- Long Distance (\$200/yr.)
- Cellular Phone service (\$150/mo.)
- Support Services (\$4,020/yr.)
- Office Equipment & Supplies, Postage, Printing, Travel, Advertising & Promotion, Research, and Hospitality (\$500/yr.)
- Professional Development (\$3,000/yr.)
- Educational Conferences, Conventions or Workshops
- Programs of study leading to a Diploma/Degree are not eligible.

Original Receipts are required, and cash expenses exceeding \$100 will not be reimbursed

Meal and Mileage Rates

Maximum Meal Rates:


- Breakfast (\$10.00)
- Lunch (\$12.50)
- Dinner (\$22.50)
- After Hours Meal (\$19.50)

Maximum Mileage Rates:

- | Km per year | Rate per Km |
|--------------|-------------|
| • 0-5,000 | \$0.54 |
| • Over 5,000 | \$0.48 |

Regulated by Broader Public Sector (BPS) Expense Directive

Trustee Expenses Reported Publicly

- 
- Trustee Expenses reported Quarterly
 - Summary and Supporting Documents posted on TCDSB's website
 - All expense reports remain on TCDSB's website until 1 year after the expiry of the current term of office
 - No transfer of funds between budgets permitted
 - Unspent funds cannot be carried forward to next budget year

Trustee Expense Reimbursement Process

- Expense reimbursement form
- Attach all original receipts
- Submit to Trustee Services
- Mileage companion application

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